

CONGRESSWOMAN LOIS CAPPS' HEALTH CARE REFORM *Report*



CALIFORNIA'S 23RD CONGRESSIONAL DISTRICT  SUMMER 2010

QUALITY, AFFORDABLE HEALTH CARE FOR ALL HISTORIC HEALTH CARE REFORM BECOMES LAW

The health care reform law:

- Builds on what works in today's system – protecting people who like the coverage they already have.
- Reforms the health insurance marketplace by creating Health Insurance Exchanges in 2014, where individuals can comparison shop for coverage. By letting people who are buying coverage on their own pool together, the marketplace is more competitive.
- Bans the worst behavior by insurers by ending their ability to: deny coverage based on pre-existing conditions; drop coverage when people get sick; and charge people more based on their gender or occupation.
- Assures that health care is affordable by providing tax credits to low- and moderate-income families.
- Provides tax credits to small businesses to help them provide coverage to their employees.
- Ends the Medicare prescription drug donut hole, provides free preventive services in Medicare, and extends the life of the Medicare Trust Fund by more than a decade.



As a nurse and Vice-Chair of the Health Subcommittee, improving health care has always been a top priority. I spoke at an event in San Luis Obispo with local doctors and nurses to share what health reform means for the citizens of the South and Central Coasts.

This spring, Congress and the President made history by enacting comprehensive health care reform that guarantees affordable, quality coverage for all Americans. I was proud to support this vital legislation.

According to the Congressional Budget Office, the Affordable Care Act is estimated to extend health insurance coverage to 32 million additional Americans. More than 94 percent of Americans will be insured. It provides security to those who already have coverage, and helps lower costs for individuals and families. The law reduces the deficit by \$143 billion over the next 10 years, and reduces the deficit by \$1.2 trillion over the following 10 years.

 Get additional information online at: www.HealthCare.gov

WHAT DOES HEALTH CARE REFORM DO FOR ME?

...if I have coverage through my job?

You will see some immediate benefits such as being able to add an adult child up to the age of 26 onto your policy. In addition, when the Health Insurance Exchanges are put in place in 2014, new employer-sponsored plans need to meet certain standards, which will include limits on how much an employee can pay in out-of-pocket costs. With a reformed health insurance marketplace, if you lose your job or you decide to leave it, you will be able to obtain affordable coverage in the Exchanges with financial help if you need it.

...if I buy insurance on my own?

Starting in 2014, you will have access to the Health Insurance Exchanges, competitive marketplaces where you can comparison shop for affordable coverage. Individuals and small businesses will be able to pool their buying power and get more competitive rates. Depending on your income, you will have access to tax credits to help you afford coverage in the Exchanges.

...if I've been denied insurance for a pre-existing condition?

In the coming months, you'll be able to access high-risk pools that will give many people with a pre-existing condition access to purchase coverage. Insurance companies will be prohibited from discriminating against children with pre-existing conditions. Once the Exchanges are set up in 2014, insurance companies will be prohibited from refusing to insure people who have had cancer, heart disease, diabetes, or another pre-existing condition.

...if I'm on Medicare?

Seniors and people with disabilities will continue to receive high-quality, affordable care through the Medicare program. Health care reform will include improvements to the program, such as closing the "donut hole" coverage gap for prescription drugs and eliminating cost-sharing for preventive benefits.

...if I'm on Medicaid?

Medicaid helps more than 60 million low-income Americans have access to health care. Medicaid will continue to provide that coverage, and in 2014 will be extended to anyone with an income below 133 percent of the poverty level, or about \$29,000 for a family of four. To address concerns about the availability of doctors to treat Medicaid beneficiaries, the law will also improve Medicaid payments to primary care physicians for primary care services.

...if I'm a small business owner?

Starting immediately, health care reform provides \$40 billion in tax credits for small businesses to help them offer employee health insurance coverage. According to the Council of Economic Advisors, more than 60 percent of small employers, or more than 4 million firms, will be eligible for these credits. Once the Exchanges open up, small businesses and their employees can pool their buying power and have access to the same quality plans only available to large firms today.

... if I have TRICARE, TRICARE for Life or Veterans' Health Care?

Enrollees in these programs can rest assured that health care reform has no negative impacts for them. The health care programs for both the military and our veterans all meet the requirements of the health care reform law that calls for every American to be insured with at least a minimum quality of coverage.

IMMEDIATE OUR HEALTH CARE

Many of the new law's provisions are a number of reforms that t



MORE FOR YOUR PREMIUM

DOLLAR: Requires all health plans to put more of your premiums into your care, and less into profits. The law requires that insurers spend at least 80 percent of premiums on medical services. Insurers that don't meet the required thresholds must provide rebates to policyholders.

HOLDS INSURANCE COMPANIES ACCOUNTABLE FOR UNREASONABLE RATE HIKES:

Supports state efforts that require health insurance companies to submit justification for premium increases.



ENDS RESCISSIONS:

Stops the insurance company practice of dropping patients' coverage when they get sick.

SMALL BUSINESS

TAX CREDITS: Offers tax credits to help businesses provide health care for their employees – up to 35 percent of employer premium contributions.



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s will take time to implement, however, there
take effect in the first year:

PROVIDES IMMEDIATE HELP FOR THE

UNINSURED: Creates a new, temporary insurance program until the Exchanges open that provides insurance for people who have been uninsured for six months and have a pre-existing condition.



BEGINS TO CLOSE THE MEDICARE PRESCRIPTION DRUG DONUT HOLE:



Provides a \$250 rebate to Medicare beneficiaries who reach the “donut hole” coverage gap in 2010. Beneficiaries in this gap will receive a 50 percent discount on brand-name drugs starting January 2011. By 2020, the “donut hole” coverage gap will be completely eliminated.

FREE PREVENTIVE CARE IN MEDICARE:

Starting in January 2011, ends co-payments for preventive services, and exempts preventive services from deductibles in Medicare.



HELPS EARLY RETIREES: Assists businesses providing health insurance to early retirees ages 55-64 by reducing premiums for employers and retirees to help preserve their coverage until the Health Insurance Exchanges open.

NO DISCRIMINATION AGAINST CHILDREN WITH

PRE-EXISTING CONDITIONS: Prohibits all employer plans and new plans that individuals purchase on their own from denying coverage to children with pre-existing conditions.



EXTENDS COVERAGE FOR YOUNG PEOPLE:

Requires health plans to allow young people through age 26 to remain on their parents' insurance policies at their parents' choice.

HOW REFORM HELPS CALIFORNIA'S 23RD DISTRICT

Health care reform will help our community. The House Energy and Commerce Committee has evaluated the effects of health care reform on the 23rd District. This law will:

- Improve coverage for 350,000 residents with health insurance.
- Give tax credits and other assistance to up to 143,000 families and 16,200 small businesses to help them afford coverage.
- Improve Medicare for 92,000 beneficiaries, including closing the donut hole.
- Extend coverage to 92,000 uninsured residents.
- Guarantee that 17,000 residents with pre-existing conditions can obtain coverage.
- Protect 900 families from bankruptcy due to unaffordable health care costs.
- Allow 78,000 young adults to obtain coverage on their parents' insurance plans.
- Provide millions of dollars in new funding for 62 community health centers.
- Reduce the cost of uncompensated care for hospitals and other health care providers by \$28 million annually.

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Official Business

This mailing was prepared, published and mailed at taxpayer expense.

Lois Capps
M.C.
PRESORTED STANDARD

WE'RE HERE TO SERVE YOU

For assistance, please call one of my local offices: Santa Barbara (730-1710), San Luis Obispo (546-8348) or Port Hueneme (985-6807).

FREQUENTLY ASKED QUESTIONS

The health care reform debate has been plagued with confusion and misinformation. Many people have important questions about how health care reform will affect them. To help respond, I've compiled a list of frequently asked questions. More information can be found on my website at www.capps.house.gov.

Will my Medicare benefits be cut?

No. Seniors and people with disabilities will continue to receive high-quality, affordable care through the Medicare program. Health care reform includes improvements to the program, such as closing the "donut hole" coverage gap for prescription drugs and eliminating cost-sharing for preventive benefits.

If I have coverage, will I face unlimited medical costs if I get sick?

No. Health care reform will establish caps on what individuals and families must pay in "out-of-pocket" costs for new insurance plans. These levels will be set at a sliding scale for plans purchased in the individual market to prevent families from facing bankruptcy in the event of an illness.

Will the health care reform law add to the deficit?

No. According to the non-partisan Congressional Budget Office, the law will lower health care costs over the long term, and reduce the deficit by \$143 billion over the next 10 years. In the following 10 years, health care reform reduces the deficit by an additional \$1.2 trillion.

Can I be denied coverage for a pre-existing condition?

No. Once the new marketplace is implemented in 2014, health care reform will eliminate the ability of health insurers to discriminate against you based on your medical history.

Will I still be able to participate in Medicare Advantage?

Yes. The non-partisan Congressional Budget Office projects that 9.1 million people will be enrolled in Medicare Advantage programs in 10 years, and many firms have recently announced that they will continue offering plans under the new guidelines.

Currently, insurance companies participating in Medicare Advantage are paid an average of 14 percent more per enrollee than it would cost Medicare to cover these people. This money that goes to insurance company profits costs taxpayers billions every year, and increases Medicare premiums for everyone. Health care reform revamps the Medicare Advantage program – reducing overpayments to insurance companies, and giving incentives for offering better care.

What will happen to my health insurance premiums?

According to the non-partisan Congressional Budget Office (CBO), costs will go down as more people are covered. Currently, families pay an extra \$1,000 in higher premiums as hospitals and insurance companies shift the cost of treating the uninsured. People buying their coverage through the new Health Insurance Exchanges will benefit from greater competition and choice, and may also qualify for tax credits that will subsidize their premiums and reduce costs.

Can my insurer drop my coverage if I get sick?

No. Health care reform will ban the practice by insurers of retroactively denying coverage once an individual gets sick – called "rescissions." This was scheduled to be implemented in September, but insurance companies have worked with Congress to implement this provision immediately.